



Nama Chemicals Company
(Saudi Public Joint-Stock Company)

Remuneration Policy for Board of Directors, its Committees, and the Executive Management

Document Control

Document Information	
Custodian / Archivist:	Secretary of the Board of Directors
Document Name:	Remuneration Policy for Board of Directors, its Committees, and the Executive Management

1.	Preamble	3
1.1.	Purpose	3
1.2.	Terms / Abbreviations / Definitions	3
1.3.	Title and Maintenance of the Document	4
1.4.	Distribution	4
1.5.	Documentation of tasks and responsibilities / delegation of authority matrix	4
2.	Board of Directors and its committees	4
2.1.	Principles, Structure and Limits	4
2.2.	Payment	5
2.3.	Other Entitlements	6
3.	Executive Management	6
4.	Disclosures	7
5.	Remuneration of the Board of Directors and its committees, the Secretary of the Board and the secretariat of the committees	8
6.	Board of Directors Report	8
7.	Annexes	9
8.	Enforceability and Publication	10



1. Preamble:

1.1. Purpose:

The purpose of the Remuneration Policy (hereinafter referred to as the “Policy”) is to provide guidelines for awarding remuneration and compensation to:

- A. Members of the Board of Directors, its committees and the Executive Management of Nama Chemical Company (hereinafter referred to as “Nama” or “the Company.”)
- B. Representatives of Nama’s Board of Directors in the Boards of Directors and its Committees

The objective of this policy is to create a sustainable environment to attract and retain individuals with the necessary skills and experience to continue the company's growth and achieve its strategic objectives.

This policy replaces any policies and/or instructions of Nama Company related to the remuneration of the Board of Directors, its sub-committees, and executive management, which may conflict with any provision of this policy. However, this policy does not replace any regulatory requirements in the Kingdom of Saudi Arabia.

1.2. Terms / Abbreviations / Definitions:

Term	Description / Explanation
The Company (Nama)	Nama Chemicals Company – Public Joint-Stock Company
Executive Management	Persons responsible for managing the company's day-to-day operations and proposing and implementing strategic decisions, such as, the CEO, his deputy, the chief financial officer, and others.
The Board	Board of Directors of Nama Chemicals Company
Committees of the Board of Directors	The committees emanating from the Board of Directors, when referred to, shall include the committees formed by the Board of Directors or the General Assembly to carry out the tasks specified in their approved charters / regulations such as the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and any committee formed by the Board in the future.
Remunerations	Amounts, allowances, profits, and the like, periodic or annual bonuses and rewards related to performance, long or short-term incentive plans, and any other benefits in kind except for reasonable actual expenses and fees incurred by the company in order to enable the members of the Board of Directors to carry out their duties.
Independent Members of Board of Directors	Any non-executive member of the Board enjoys complete independence in his position and decisions, and none of the matters affecting the independence stipulated in Article 20 of the Corporate Governance Regulations of the Capital Market Authority apply to him.

1.3. Title and Maintenance of the Document:

The Board of Directors, through the Remuneration and Nomination Committee, shall review the remuneration policies on a periodic basis.

The policy is periodically reviewed and amended based on one of the following reasons:

- Changes in local laws and regulations and/or supervisory procedures.
- Changes in standards/guidelines issued by regulatory authorities.
- Any other changes that may affect this policy.

1.4. Distribution:

The initial version of this policy is kept by the Secretary of the Council. The Policy shall be accessible to all parties to whom it applies through the Company's website.

1.5. Documentation of tasks and responsibilities / delegation of authority matrix:

The following is a description of the roles and responsibilities included in the policy:

Responsibility	Police Maintenance	Police Preparing / Updating / Amending	Review / Revision	Approval / Adoption	Printing and Publishing
Secretary of the Council	✓	✓			✓
Nomination and Remuneration Committee			✓		
Board of Directors			✓		
General Assembly				✓	

2. Board of Directors and its committees:

2.1. Principles, Structure and Limits:

1. Board members and members of the company's board of directors' committees have the right to obtain an annual remuneration in accordance with Article No. (20) of the company's articles of association and in accordance with the relevant laws and regulations.
2. The remuneration and compensation structure for members of the Board of Directors and its committees shall:

- A. Be in line with the company's strategy and objectives.
 - B. Aim to encourage board members to achieve the company's long-term success and development, for example by linking the variable portion of remuneration to long-term performance.
 - C. Be fair and appropriate in view of the responsibilities of the members, and the actions and tasks carried out by the members in the company.
 - D. Be based on tasks and responsibilities, educational qualifications, work experience, skills, and level of performance.
 - E. Be a motivating factor for existing members and attract new members with the experience and qualifications required to enhance the company's ability to achieve its objectives.
 - F. Commensurate with the nature of the company's business, its activity, its size and the degree of its risks.
 - G. Take into account the practices of other companies in terms of determining remunerations, and avoiding the disadvantages resulting from these comparisons, which lead to an unjustified rise in remunerations and compensations.
3. The remuneration must be based on a recommendation from the Nomination and Remuneration Committee and presented by the Board of Directors to the General Assembly and included in the annual report of the Board of Directors.
 4. The remuneration structure and value limits for members of the Board of Directors and its committees must be reviewed periodically to include all or some of the following:
 - A. The amount of the remuneration for his membership.
 - B. Remuneration for attending sessions.
 - C. Additional allowances (transportation expenses / per diem) for members of the board of directors who reside outside the meeting place.
 - D. Variable fees/allowances based on the performance of the company and the board of directors - applies only to members of the board of directors.
 5. Board members and its committees must be reimbursed for their actual expenses incurred to attend meetings including travel and accommodation expenses, as per the relevant company's travel policy and according to its highest executive officer (CEO), which shall be limited to business class travel (preferably the national carrier), accommodation in a 5-star hotel, in addition to premium transportation services, provided that the meeting is held in a city other than the member's current city of residence.
 6. In the event that it is decided that the remuneration of the members of the Board of Directors will be part of the profits, after the above, not more than (10%) of the remainder shall be allocated to the remuneration of the Board of Directors, (the rewards and benefits, financial or in kind, that a member of the Board of Directors receives shall not exceed five hundred thousand SAR annually), and the remaining is then distributed to the shareholders as an additional share in the profits
 7. The remuneration of independent board members must not be a percentage of the company's profits or be based directly or indirectly on the company's profitability.

8. Different amounts of fixed and variable remuneration may apply to members to reflect members' experience, skills, independence, and number of meetings attended, among other criteria.
9. Based on a proposal from the Remuneration and Nominations Committee, the Board of Directors should establish the necessary mechanisms for the annual evaluation of the performance of the Board of Directors, its members and its committees, using the main performance indicators related to the extent to which the company's profits are achieved, the quality of risk management and the effectiveness of internal control systems and others, provided that weaknesses and strengths are identified, and solutions for such weaknesses must be proposed to achieve the company's interest.
10. The performance evaluation procedures must be documented, disclosed, and clearly mentioned to the members of the Board of Directors and the parties concerned with the evaluation.

2.2. Payment:

1. Board and committee remuneration shall be processed by the Board Secretary and payments shall be processed according to the approved delegation of authority matrix.
2. Members are entitled to receive remuneration from the date of their joining the Board of Directors or the Committee (according to the decision of the Board of Directors) and pursuant to the term of their membership.
3. The fixed and variable annual remuneration (if any) shall be paid to the members of the Board of Directors only after approval of the General Assembly on the annual report of the Board including such remuneration.
4. Remuneration for attendance of sessions (if any), and travel expenses related to meetings of the Board of Directors or meetings of committees emanating from the Board of Directors shall be settled on a quarterly basis or earlier at the request of the member.
5. In the event of the resignation of a member of the Board of Directors / member of a committee emanating from the board of directors or expiry of his term of office, he is entitled to receive his annual remuneration on a pro-rata basis according to the number of days he has spent in the board of directors/ committee emanating from the board of directors.
6. If it turns out that:
 - A. The remuneration paid to any member of the board of directors was based on incorrect or misleading information submitted to the general assembly or included in the annual report of the board of directors, the member of the board of directors must return this remuneration.
 - B. In the event that a member of the Board of Directors performs any act that affects his legal capacity such as breach of trust, forgery, or violation of laws and regulations in the Kingdom of Saudi Arabia or in any other country, or fails to fulfill his duties and responsibilities in a way that harms the interest of the company, the company has the right to claim compensation for any damage or for other costs incurred by the company as a result of this act.
 - C. If the General Assembly decides to terminate the membership of any member of the Board of Directors as a result of not attending three consecutive meetings without a legal reason, then this member is not

entitled to receive any remuneration for the period starting from the date of the last meeting of the Board of Directors for his failure to attend, and he must return any remuneration he may have received for that period.

- D. If the remunerations approved for a member of the Board of Directors or its sub-committees are based on inaccurate information or false results, the case is submitted to the Board of Directors to take the appropriate decision, and the remuneration will be suspended or refunded.

2.3. Other Entitlements:

1. In the event that a member of the Board of Directors or its committees undertakes specific tasks (technical, administrative and advisory work) other than the normal work of the members of the Board of Directors and/or the Committee, this member is entitled to receive additional fees for these tasks, provided that he obtains a prior approval from the company's general assembly.
2. These fees do not fall within the scope of the maximum remuneration paid to members as mentioned in Clause (6) of Section 2.1 above and are subject to the disclosures mentioned in Section Five.
3. The financial amounts of the additional specific tasks (technical, administrative and advisory work) submitted to the independent members of the Board of Directors must be verified in accordance with Article (20) (8) of the Corporate Governance Regulations issued by the Capital Market Authority and related procedures and in accordance with the company's conflict of interest policy.

3. Executive Management:

1. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors determines the remuneration of the executive management, provided that they are in accordance with the following principles:
 - A. That the rewards and compensation are compatible with the company's strategic objectives, and a factor in motivating the executive management to achieve those goals, and enhance the company's ability to develop and sustain its business.
 - B. To be appropriate to the nature of the company's business, its activity, its size, and the required skills and experience.
 - C. To enable the company to attract executives with the capabilities, skills and qualifications necessary to enable the company to achieve its objectives.
 - D. Not to cause any conflict of interest that would negatively affect the interest of the company and its ability to achieve its objectives.
2. The Nomination and Remuneration Committee recommends annually the job grades, the salary structure, the annual remuneration package, and the bonus increase plan, and the Board approves it, including all or some of the following:
 - A. Basic salary.

- B. Allowances such as housing allowance, transportation, children's education/tuition fees, telephone and others.
 - C. Insurance benefits.
 - D. Reward linked to performance appraisal.
 - E. Short/long-term incentive plans based on approved programs.
 - F. Other items that the Board of Directors may deem appropriate.
3. The Board of Directors sets standards for the performance of the executive management in line with the objectives and strategy of the company, including reviewing and evaluating the performance of the executive management using the key performance indicators related to the extent to which the company's strategic objectives have been achieved, the quality of risk management and the effectiveness of internal control systems and others.
 4. The remuneration of each employee in the executive management may vary depending on the results achieved during the year under review and their link to key performance indicators and performance evaluations.
 5. If the remuneration granted to any employee in the executive management is based on inaccurate information or wrong results, the case will be submitted to the board of directors, and accordingly, the reward will be suspended or refunded.
 6. The Executive Management must adhere at all times to the Company's conflict of interest policies and code of conduct and disclosure.

4. Disclosures:

1. The Board of Directors is obligated to disclose in its annual report the remuneration policy and how to determine the remuneration of members of the Board of Directors and its committees and the executive management of the company.
2. The disclosure is made in a clear, transparent and detailed manner.
3. The report of the Board of Directors determines the remuneration and compensation paid for each of the following separately:
 - A. Board of Directors.
 - B. Members of the committees emanating from the board of directors.
 - C. Four of the company's senior executives who received the highest rewards, including the CEO and the chief financial officer. The disclosures include the remunerations granted to members of the Board of Directors and its committees and the executive management, directly or indirectly, without concealment or misleading, whether they are amounts, benefits or advantages, of whatever nature and name. If the benefits are shares in the company, then its input value is the market value at the maturity date.
4. The Board of Directors' report also discloses the following:
 - A. The benefits paid to the members of the Board for carrying out any work in an executive, technical, administrative or advisory position.

- B. A statement of the number of board sessions and the number of sessions attended by each member from the date of the last meeting of the general assembly.
 - C. Any material deviations from the remuneration policy.
5. The disclosure of the details of the bonuses and compensations mentioned in the previous paragraph should be in accordance with the attached appendix (the remuneration schedules contained in the Corporate Governance Regulations issued by the Capital Market Authority).
 6. All other disclosure requirements must be complied with in accordance with the company's disclosure policy.

5. Remuneration of the Board of Directors and its committees, the Secretary of the Board and the secretariat of the committees:

According to Article (20) of the Company's Articles of Association and Article (76) of the Companies Law, the remuneration of the members of the Board of Directors shall be a certain amount, attendance allowance for meetings, in-kind benefits, or a certain percentage of net profits, and two or more of these benefits may be combined. Accordingly, the remuneration of the Board of Directors shall be as follows:

1. The remuneration of the members of the Board of Directors and its committees emanating from it consists of a certain amount and attendance allowance for meetings or expenses, and not exceeding what is stipulated in the Companies Law and its Bylaws and the Company's Articles of Association, in the following detail:

A) Allowance for attending single meeting (for board and committee meetings)	(3,000) SAR
B) Additional allowance (travel and transportation) for those who are outside the city of the meeting location	(2,000) SAR
C) Annual amount for single member in the Board	(200,000) SAR
D) Remuneration linked to profits: A certain percentage of net profits determined by a recommendation from the Remuneration and Nominations Committee in the event the company achieves profits after fulfilling the statutory conditions and requirements, taking into account paragraph (b) of Article (4) of the regulatory controls and procedures issued in implementation of the Companies Law	
E) Annual amount for the secretary of the Board	(30,000) SAR
F) Annual amount for the secretariat of the committees	(20,000) SAR
G) The remuneration of the members of the committees shall be according to what is stated in the work regulations of the concerned committee, and if it is not specified in the relevant regulations, it shall be 60,000 SAR for single member.	

2. This remuneration may be of varying amount and in the light of a policy issued by the Remuneration and Nominations Committee and approved by the Assembly. The annual report of the Board of Directors to the General Assembly of Shareholders must include a comprehensive statement of all the Board members received during the fiscal year in terms of remuneration, expense allowance and other benefits. It shall also include a statement of what the members of the Council received in their capacity as workers, administrators, or counterparts to technical or administrative work or consultancy (if any), and also include a statement of the

number of Council sessions and the number of sessions attended by each member from the date of the last meeting of the General Assembly.

6. Board of Directors Report:

1. The annual report of the Board of Directors to the General Assembly must include details of the policies related to remuneration and the mechanisms for determining them, and what the members of the Board of Directors received during the financial year in terms of remuneration, expense allowance and other benefits, and the amounts and financial and in-kind benefits paid to any of them in exchange for any executive, technical, administrative, or advisory work or positions, if any, and that it also includes a statement of the number of board sessions and the number of sessions attended by each member from the date of the last general assembly meeting.
2. The remuneration of independent board members should not be a percentage of the profits achieved by the company or be based directly or indirectly on the profitability of the company.

7. Annexes:

Annex -1: Remunerations of the Board of Directors

	Fixed Remunerations						Variable Remunerations									
	Certain Amount	Statement of attending sessions of the Board	Total Allowances of Attending sessions of the committees	In-kind benefits	Rewarding technical, administrative and advisory works	Remuneration of the Chairman, Managing Director, or Secretary, if he is a member	Total	Percentage of profits	Bonuses / Benefits	Short term incentive plans	Long term incentive plans	Granted shares (values to be inserted)	Total	End of service benefits	Grand Total	Expense allowance
First: Independent Members																

Annual remuneration for committee secretariat			
1-			

8. Enforceability and Publication:

The Policy and any subsequent amendments to it shall be effective - after consideration by the Board of Directors - from the date of its approval by the General Assembly, the Company shall publish it to the shareholders and the public through its website in accordance with any legal requirements imposed by the organizing authorities.